Saskmilk Newsletter
October 2013

Trade Update

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CETA

Despite media reports last week that an agreement between Canada and the EU is essentially a done deal, it was confirmed with officials that they are not yet at the point of concluding an agreement in principle. There are still significant gaps to be closed, primarily including the areas of agriculture, fish, Pharma and a number of smaller issues. There has also been no change in the government position on dairy.

Overall, officials said that "we are not going to make the Throne Speech", even within the most optimistic scenario. In other words, even if an agreement in principle was to be agreed to in time for the Throne Speech, the fact that such an agreement has to be presented and supported by the provinces would make it virtually impossible to announce anything by that time. The EU also has a similar process where it must report to the Member States.

TPP

The 19th TPP Negotiating Round took place in à Bandar Seri Begawan, Brunei, from August 22nd through August 30, 2013. In a nutshell, the negotiators continued to deploy as much efforts as they can to advance the talks. The talks are slowly entering the political phase of dealing with the most sensitive issues. These are fairly substantial and include market access for goods (including agriculture), rules of origin, intellectual property rights (pharmaceutical patent protection and access to medicine), state owned enterprises, investment, financial services, government procurements and environment. As the talks are progressing towards the most difficult phase of the negotiations, it seems that the TPP partners are becoming less and less transparent.

At the end of the 19th Round, Negotiators did not announce when the next Round will take place, nor confirm whether another round will take place.

WTO

In a speech at the WTO's annual public forum, New U.S. Trade Representative, Michael Froman, delivered a warning to WTO Members: "if Bali shows that the WTO is not a viable forum for negotiations, bilateral and plurilaterals will likely be the only avenue for trade negotiations," he told delegates. He said the U.S. will continue to support the multilateral trading system, but that the organization is at a crossroads. Ever since the Doha Development Agenda was launched in 2001, Members have been unable to reach a deal.

"The success or failures of negotiations in this room over the next four weeks will write the future of this institution. Every Member of this institution has its hand on the pen. It is within our reach to open a new and dynamic chapter, together, in the work of the WTO," Froman concluded.

Dairy Conference and AGM

The Registration Deadline for the Dairy Conference and AGM is this FRIDAY, OCTOBER 19TH – please ensure you get your registration in to the office to allow for better planning of services and meals!

Day 1 – November 20th

- Interactive Panel – Optimizing Corn and Barley Silage Production
- Shannon Cartwright, Ontario Veterinary College, Department of Pathobiology, University of Guelph
- Saskatchewan Holstein Branch AGM
- Reception, Dinner, and Saskatchewan Holstein Branch Social Event with "**General Fools Improvisational Theatre**" and a Silent Auction

Day 2 – November 21st

- SaskMilk 4th Annual General Meeting
- Dr. Joe Stookey, Professor of Applied Ethology, Department of Large Animal Clinical Sciences, WCVM, University of Saskatchewan
- Saskatchewan Holstein Awards Luncheon
- Rayner Dairy Research and Teaching Facility Tour

REMINDER: FALL INCENTIVE DAYS

October: 1 day **November**: 1 day

Did you know...?

Besides paying for milk at the store, Americans paid the equivalent of 31 cents per litre of milk in government subsidies. The average European dairy farm derives 41% of its income from subsidies. In Canada? $0 and 0%

QUOTA EXCHANGE

The market-clearing price established for the October 2013 Quota Exchange was **$32,000.00**.

The next Quota Exchange will be held on **November 15, 2013**. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the SaskMilk office by midnight, **November 6, 2013**. SaskMilk recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

When making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange. Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange. The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

The results of the Quota Exchange are outlined in the following Table.

OCTOBER 2013 QUOTA EXCHANGE RESULTS SUMMARY

Market Clearing Price per kilogram of butterfat	**$ 32,000.00**	
Daily Kilograms offered to Purchase		**48.40**
Kilograms offered to Sell		**12.00**
Kilograms sold		**12.00**
Number of Producers		
- offered to purchase	**5**	
- purchased quota	**2**	
- offered to sell	**1**	
- sold quota	**1**	

OCTOBER 2013 QUOTA EXCHANGE CLEARING PRICE RESULTS

Price ($/daily kg b.f.)	No. of Sellers	Cumulative Sellers	Daily Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Daily Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
$30,000.00	0	0	0.00	0.00	-48.40	48.40	9.50	5	1
$30,500.00	0	0	0.00	0.00	-38.90	38.90	5.90	4	1
$31,000.00	1	1	12.00	12.00	-21.00	33.00	10.00	3	1
$32,000.00	**0**	**1**	**0.00**	**12.00**	**-11.00**	**23.00**	**23.00**	**2**	**2**

*** Please contact Bev Solie at 306-949-6999 for inquiries dealing with quota management sheets, the Quota Exchange, for transfer credits, or with any other quota transactions.**

TRANSFER CREDIT SUMMARY REPORT

MONTH	# OF PRODUCERS TRANSFER IN	# OF PRODUCERS TRANSFER OUT	TOTAL KGS BUTTERFAT
September	17	15	16,499
October	22	16	17,681
November	25	22	21,887
December	27	23	29,882
January, 2013	14	17	13,158
February	16	15	10,369
March	19	18	14,543
April	14	15	8,912
May	11	10	6,139
June	16	11	12,221
July	14	10	8,560
August	16	14	13,911
September	13	12	12,097

PRIVATE TRANSFERS PROCESSED

MONTH	DAILY KILOGRAMS
Oct	30.20
Nov	0.00
Dec	25.24
Jan-2013	41.98
Feb	0.00
Mar	81.66
Apr	59.62
May	20.00
June	17.00
July	0.00
Aug	111.00
Sept	0.00

OVER QUOTA (OVER 5 DAYS) REPORT BY MONTH

MONTH	# OF PRODUCERS	KGS BUTTERFAT
September	7	367
October	8	1,035
November	13	2,403
December	15	2,847
January, 2013	19	4,848
February	17	3,436
March	21	4,621
April	11	1,303
May	11	846
June	10	655
July	8	2,058
August	8	1,145
September	7	653

SUMMARY REPORT OF CREDITS September, 2013 – 167 PRODUCERS

DAYS	# OF PRODUCERS	POSITIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
+ 5	9	8,255
0 to + 5	33	8,697
TOTAL	42	16,952
DAYS	**# OF PRODUCERS**	**NEGATIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)**
-15	20	-30,303
-10 to -15	29	-57,691
-5 to -10	37	-40,266
0 to -5	39	-16,098
TOTAL	125	-144,358

LOST OPPORTUNITY REPORT

MONTH	# OF PRODUCERS	LOST OPPORTUNITY (KGS OF BUTTERFAT)
September	24	15,137
October	20	12,061
November	13	7,449
December	13	6,389
January, 2013	10	4,550
February	11	4,520
March	10	3,572
April	13	3,960
May	14	6,967
June	11	6,596
July	13	9,398
August	14	7,625
September	19	6,589

WEIGHTED AVERAGE COMPONENT TESTS & PRICES September, 2013

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.8911	11.252193
Protein	3.3022	8.252629
Other Solids	5.6908	1.197186

Based on the average component tests for the province, the average price received was **$77.8475** per hectolitre. **The average butterfat price received per kilogram was $19.99**

SASKATCHEWAN MILK POOL RESULTS September 2013

Milk Sale Revenue	$ 13,858,051.13
Western Milk Pool	$ 1,051,926.59
Plant of Last Resort Service	$ (57,767.31)
Total Pool Value	**$ 14,852,210.41**

In September, Saskatchewan had a monthly CDC allocation of **737,951 kilograms** of butterfat. In the month of September, Saskatchewan production was **5,061** of butterfat **over** and cumulatively **under** by **-34,067 kilograms** of butterfat. On a percentage basis, Saskatchewan is **-0.38%** within our CDC allocation flexibility limits based on the Continuous Quota model. The -1.50% lower flexibility limit is in effect.

	(1) Monthly Total Production Kgs bf	(2) Total Monthly CDC Quota Allocation Kgs bf	(3) Monthly Over or (Under) Production Kgs bf col. 1 – 2 = 3	(4) Lower Flexibility Limit **(1.5%)** Kgs bf col. 9 * -1.5%	(5) Upper Flexibility Limit **1.0%** Kgs bf col. 9 *1.0%	(6) Cumulative Over or (Under) Production with limits Kgs bf	(7) Cumulative Over or (Under) Production with limits in - % col. 6 / 9	(8) Over Quota or (Lost Production Opportunity) Kgs bf	(9) Rolling 12 Month Total Quota Kgs bf
Sept-12	710,635	733,804	(23,169)	(135,045)	45,015	**(72,158)**	**-0.80%**	0	9,002,999
Oct-12	756,961	776,372	(19,411)	(135,079)	45,026	**(91,611)**	**-1.02%**	0	9,005,253
Nov-12	739,624	763,489	(23,866)	(135,022)	45,007	**(115,477)**	**-1.28%**	0	9,001,456
Dec-12	775,085	787,512	(12,427)	(134,977)	44,992	**(126,691)**	**-1.41%**	0	8,998,476
Jan-13	788,550	767,300	21,251	(134,846)	44,949	**(100,685)**	**-1.12%**	0	8,989,708
Feb-13	712,149	695,378	16,771	(134,400)	44,800	**(84,357)**	**-0.94%**	0	8,960,033
Mar-13	782,825	767,146	15,680	(134,368)	44,789	**(69,000)**	**-0.77%**	0	8,957,872
Apr-13	746,839	740,033	6,806	(134,442)	44,814	**(62,444)**	**-0.70%**	0	8,962,781
May-13	754,967	753,453	1,515	(134,427)	44,809	**(60,815)**	**-0.68%**	0	8,961,796
Jun-13	725,872	721,132	4,740	(134,402)	44,801	**(54,515)**	**-0.61%**	0	8,960,160
Jul-13	734,662	730,741	3,922	(134,525)	44,842	**(50,515)**	**-0.56%**	0	8,968,338
Aug-13	759,353	743,937	15,416	(134,654)	44,885	**(35,322)**	**-0.39%**	0	8,976,941
Sep-13	743,013	737,951	5,061	(134,773)	44,924	**(34,067)**	**-0.38%**	0	8,984,855

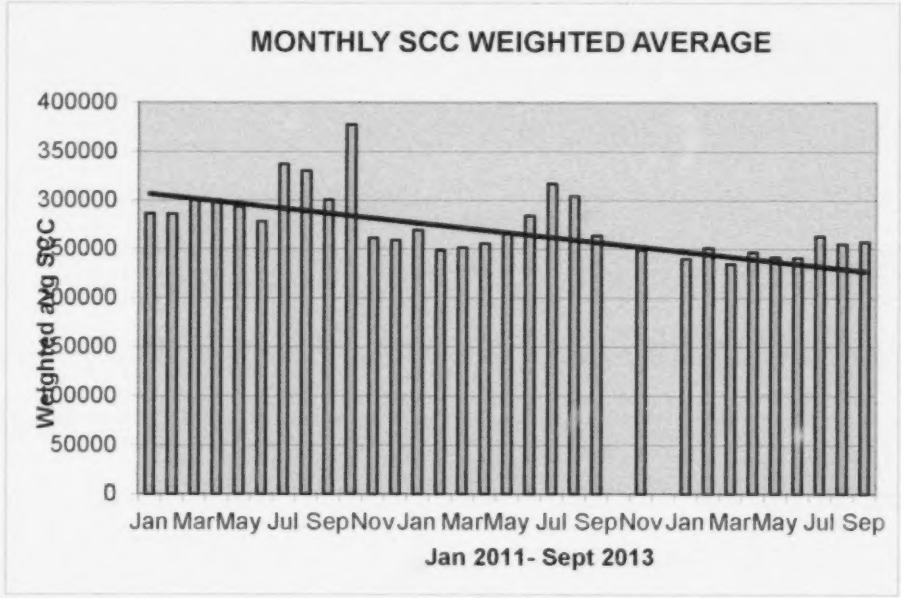
(1) Monthly Production in Saskatchewan
(2) Total Monthly Quota = Class 1 sales + Monthly MSQ + Carry Forward
(3) Difference between the monthly production (1) and the total monthly quota (2)
(4) The Lower Flexibility Limit is -1.5% of Rolling 12 Month Total Quota (9)
(5) The Upper Flexibility Limit is 1.0% of Rolling 12 Month Total Quota (9)
(6) Previous Month Cumulative Over or (Under) Production + Current Monthly Over or (Under) Production (capped at lower or upper limit if applicable)
(7) Equal to Column (6) expressed as a percentage basis within the flexibility limits
(8) Over Quota or (Lost production opportunity) outside of flexibility limits
(9) Total Monthly CDC Quota Allocation for the previous 12 months

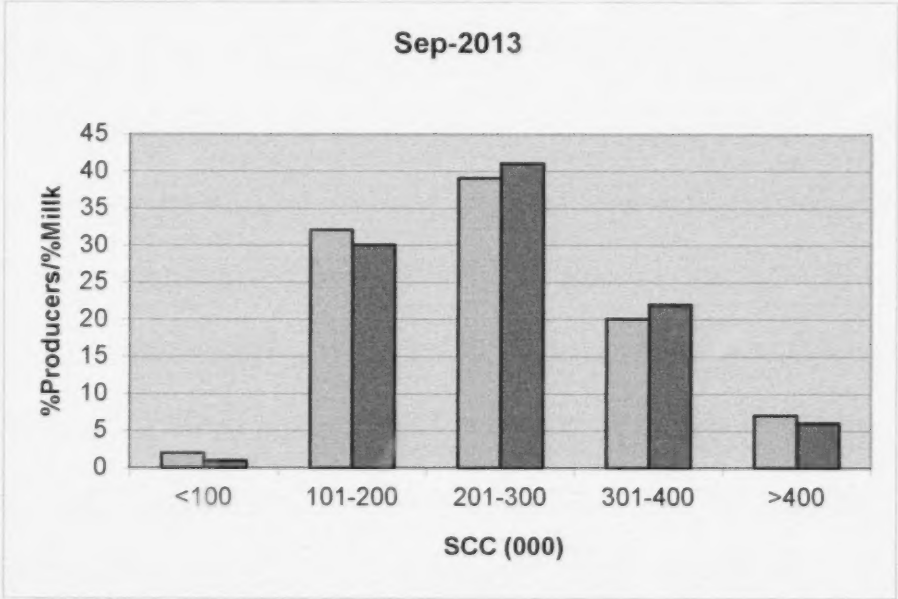
SCC LIMIT NOW 400,000

Effective January 1, 2013, the SCC limit has changed to 400,000. Penalties and violations will be applied based on the new limit.

The following graphs provide producers with an overview of the Provincial Somatic Cell Count weighted average on a monthly basis as well as a breakdown of the % of producers in each SCC level for the month of September 2013.

If you have any questions or comments you can contact: Deb Haupstein at 306-721-9486.





INHIBITOR TEST STATIONS

SaskMilk has established a number of inhibitor test stations around the province. Producers needing to check their bulk tanks for inhibitors can take a sample to the test station closest to their location.

Charm test strips are available to test for:
Beta-Lactams- the Charm 3 SL3 Beta Lactam test strip tests for amoxicillin, ampicillin, ceftiofur, cephapirin, cloxacillin, and penicillin G

Tetracyclines- the Charm Tetracycline test strip tests for chlortetracycline, oxytetracycline and tetracycline.

Sulfas- the Charm Sulfa test strip tests for sulfacetamide, sulfachlorpyridazine, sulfadiazine, sulfadimethoxine, sulfadoxine, sulfaethoxypyridazine, sulfamerazine, sulfamethazine, sulfamethizole, sulfamethoxazole, sulfamethoxypyridazine, sulfapyridine, sulfaquinoxaline, sulfathiazole,and sulfisoxazole.

Test stations are located at the following locations:

1. Swift Current, SK - Agrifoods truck bay - 675 Cheadle Street West
   Office 306-773-1991 or Rodger Ruf 306-741-3261
2. Harris, SK - Cairnside Farm – Wes Cairns 306-665-4807
3. Star City, SK - Star City Colony - Reuben Tschetter 306-921-9381
4. Grenfell, SK - Jim Ross 306-697-2232
5. Yorkton, SK - Ford Dairy Farms Inc. - Bud and Margaret Ford 306-782-7240
6. Saskatoon, SK – Agrifoods Truck Bay - east of the Saputo plant receiving bay
   lead hand - Jim or Clint 306-664-0202 after hours: 306-668-8135

Charm tests strips and Charm testers are now available for purchase through SaskMilk. Agrifoods is now carrying SNAP test kits for tetracylcines as well as beta lactams.

For further information you can contact: Deb Haupstein 306-721-9486

If You Can't Ship It - Test It!

BSE surveillance is still important and every animal tested makes a difference.

Support your cattle industry by having your 4-D (dead, diseased, dying or downer) cattle tested for BSE.

For more information, call the Canadian Food Inspection Agency at 1-877-727-5273.

Code of Practice

On-Farm Euthanasia Protocols

Compromised animals are either unfit for transport or are fit for transport only under special conditions (refer to Section 5). If these animals do not respond to treatment, on-farm euthanasia may be the most humane option. Carcasses must be disposed of in accordance with provincial regulations.

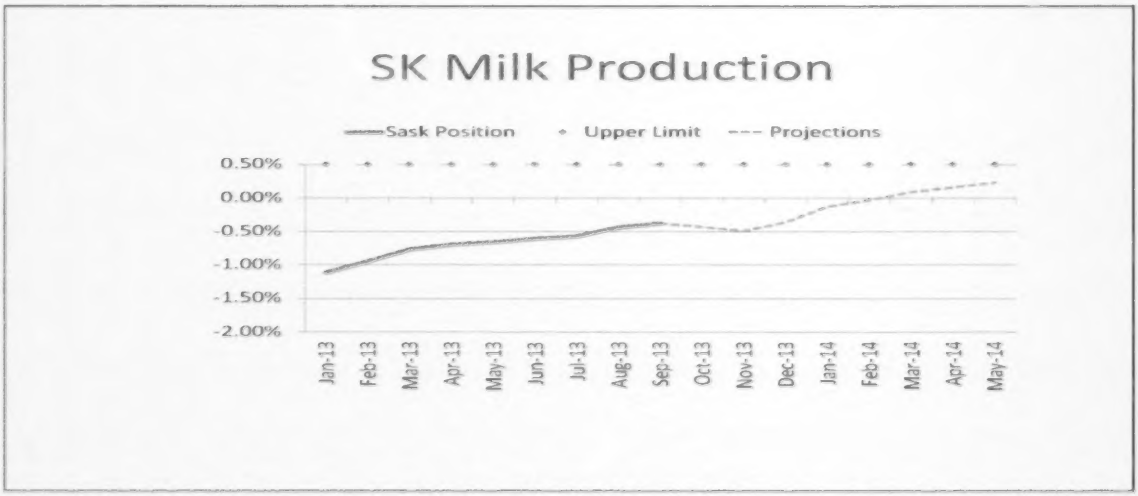
Components of a euthanasia protocol should include:
- euthanasia training
- access to proper equipment
- when to stop treating an animal and instead euthanize, taking the following into account:
- likelihood of recovery
- pain and distress of the animal
- ability to get to feed and water
- productivity
- diagnostic information.

REQUIREMENTS

Cattle with untreatable conditions, not responding to treatment, or not fit for transport must be euthanized promptly.

RECOMMENDED BEST PRACTICES

a. work with a veterinarian to develop and implement an on-farm euthanasia protocol to facilitate timely and humane on-farm euthanasia;
b. euthanize animals with a BCS less than 2 that are not responding to treatment (see Appendix E - Body Condition Scoring Chart);
c. use Appendix H - Should this Animal Be Loaded?, for guidelines on animals that should be euthanized on farm if not being treated.



QUOTA LISTING or CLASSIFIED AD SERVICE

SaskMilk offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows or miscellaneous dairy equipment is welcome to contact the SaskMilk office at (306) 949-6999. All prices and negotiations will be independent of SaskMilk. **Please note that ads will be posted in two issues and will then be removed unless SaskMilk is notified otherwise.**

Classifieds

- **Selling: Registered Heifers, bred and unbred**. Contact: Sheldon Peifer (306) 862-7140

- For sale: cows & quota 50.9 kg **Contact Leny Slootweg #204-937-8172**

- 2 - 25 foot Alliance silo unloaders, 1 - 20 foot Goliath silo unloader with Grain hood kit and jack shaft, Gehl 1580 silo forage blower, 2 - Patz gutter cleaners, Flytes for 17 inch gutter about 340 foot chain (hook & eye), 36 nose water bowls, Valmetal 52 motorized feed cart, 420 Harvestore stationary feedmixer, New Concept 16 inch roller mill with 10hp single phase motor, 3 inch SS pipeline about 440 feet, 72 One Touch Stallcocks, 8 One Touch Auto take off units with 8 eclipse milkers, 3 inch Surge Reciever Panel, Vac pump Sutorbuilt oiless with 10hp single phase (blower type), P600 chemical pump, Surge Electrobrain liquid dispensing automatic pipeline washer, Sink 30 gal. Pipeline & Milker wash, Stanchion Barn Milker Track System, 1600 US Gallon Milk Tank, Various single phase motors, 120 ft x 17 inch - 210 Conveyor Belt, 120 ft x 22 inch Belt Conveyor 2 drives. **Contact Glenn Hamm at 1-306-594-2855**

- **For Sale:** Registered purebred herd of Holsteins and quota. Contact Lyle Pretty at #306-771-2777

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